

PORT OF MIAMI

**DIRECTOR'S
ROUNDTABLE
DISCUSSION NO. 7**

CRUISE 2

June 30, 2005

Agenda Discussion

*Director's Round Table Discussions
Port of Miami*

- 1.) Introduction and Opening Remarks – Chuck Towsley – Director, Port of Miami
- 2.) Background on Roundtable Discussion to Date - John Vickerman, TranSystems
- 3.) Presentation by US Customs and Border Protection – “Cruise Passenger Processing” – Ms. Greta Campos US Customs and Border Protection
- 4.) Presentation by US Coast Guard – “Cruise Security Issues”- LTJG - Devon Brenan, US Coast Guard
- 5.) Discussion Regarding Port of Miami Seamen's Center – Juan Kuryla, Assistant Director, Port of Miami
- 6.) Next Steps – Port Summit – John Vickerman, TranSystems

Introduction and Opening Remarks

Chuck Towsley
Director, Port of Miami



Mission Statement:



“To establish a Port of Miami Union to Foster a greater understanding of each Stakeholder’s role and responsibility now and in the future. This union will consist of representatives from the Port Tenants and Port Users. To create a Public & Private Sector agenda, culminating into a POM summit identifying top issues, future opportunities and shortfalls we may face in 2005, and establish objectives to implement collectively.”

Port of Miami Current Development Program: (An Evolving Effort)

- **5 New Cruise Terminals (2 Under Construction)**
- **New Parking Garages**
- **New Entry Gate Complex (Under Construction)**
- **New Onsite Roadway System (Under Construction)**
- **Continuing USACOE Dredging Activities**
- **Refrigerated Container Yard**
- **New Container Gantry Cranes**
- **Expanded Wharf Project**
- **Off-Port Development Projects**
- **Security Improvements**
- **POM Maritime Center Concept Plan**



2005 Top 10 Current Issues for the Port of Miami-Dade

**(As presented by the Port Director to the County Manager and at the first
Round Table Meeting)**

1) Competitive issues from neighbor Ports

- Customer Service
- Facilities
- Rates

2) Maintain competitive tariff / operating agreement rates and charges to ensure balance between:

- Retaining existing customer base
- Attracting new customers, and
- Providing sufficient revenues to operate the Port and provide for Capital Improvements

2005 Top 10 Current Issues for the Port of Miami-Dade

**(As presented by the Port Director to the County Manager and at the first
Round Table Meeting)**

- 3.) Improve access and control systems to
efficiently move freight and passengers
on and off the Port**
- 4.) Update existing infrastructure as well as
constructing new facilities to keep up
with changes in the industry**

2005 Top 10 Current Issues for the Port of Miami-Dade

**(As presented by the Port Director to the County Manager and at the first
Round Table Meeting)**

**5.) Work with all Port Stakeholders to ensure
maximum Customer satisfaction**

**6.) Implement an environmental enhancement
program**

2005 Top 10 Current Issues for the Port of Miami-Dade

**(As presented by the Port Director to the County Manager and at the first
Round Table Meeting)**

**7) Complete Phase 2 Dredging Program
(-42 feet depth)**

**8) Meeting new unfunded security
standards with limited resources**

2005 Top 10 Current Issues for the Port of Miami-Dade

(As presented by the Port Director to the County Manager and at the first Round Table Meeting)

- 9) Identifying new funding sources to meet financial requirements to upgrade Port security**
- 10) Reaching out to the Community to highlight the Port's important economic impact to the Community**

Background On Roundtable Discussions to Date

**John Vickerman,
TranSystems**

Meeting Dates and Topics:

- Roundtable No. 1 – Customer Relations – November 22nd 2004
- Roundtable No. 2 – Customer Relations – December 6th 2004
- Roundtable No. 3 – Cargo – December 20th 2004
- Roundtable No. 4 – Cargo – February 8th 2004
- Roundtable No. 5 – Cargo – March 7th 2005
- Roundtable No. 6 – Cruise 1 – May 25th 2005 (2:00 PM)
- Roundtable No. 7 – Cruise 2 – June 30th 2005 (2:00 PM)
- ***Port of Miami Summit*** – August 24th 2005 (8:00 AM)

Participants In Round Table Discussions

- **Cruise Lines**

- Carnival Cruise Lines
- Royal Caribbean International
- Norwegian Cruise Line (NCL)
- Oceania Cruises
- Crystal Cruises
- Celebrity Cruises
- Windjammer Barefoot Cruises
- Costa Cruises

- **Cargo**

- Seaboard Marine
- Port of Miami Terminal Operating Company
- APM Terminals

- **Other Stakeholders**

- Eller-ITO
- P&O
- Florida Stevedoring
- Port Crane Maintenance Company, LLC
- ILA
- Hallmark Stevedoring Co.

- **Port of Miami**

- Miami-Dade Police
- Director's Office
- Engineering
- Marketing
- Finance
- Operations

Participants In Round Table Discussions

- **Cruise Lines**

- Carnival Cruise Lines
- Royal Caribbean International
- Norwegian Cruise Line (NCL)
- Oceania Cruises
- Crystal Cruises
- Celebrity Cruises
- Windjammer Barefoot Cruises
- Costa Cruises

- **Cargo**

- Seaboard Marine
- Port of Miami Terminal Operating Company
- APM Terminals

- **Other Stakeholders**

- Eller-ITO
- P&O
- Florida Stevedoring
- Port Crane Maintenance Company, LLC
- ILA
- Hallmark Stevedoring Co.

- **Port of Miami**

- Miami-Dade Police
- Director's Office
- Engineering
- Marketing
- Finance
- Operations

Port of Miami Challenges

**As Identified
in the
Round Table Meetings to Date**

Port of Miami Challenges - ***Terminal Operating Agreements,*** ***Funding, Surcharges***

- **Update terminal operating agreements**
- **Review and use of Tariffs – Global Update**
- **Explore New funding sources for**
 - **Capital Improvements**
 - **Maintenance**
 - **Security**
 - **New Surcharges**
- **Stakeholder 3rd party rights to handle other cargo**

Port of Miami Challenges – ***Improved Communications***

- **With federal and state law enforcement agencies**
- **Port Stakeholders and POM**
- **Include labor in communications loop**
- **Customer relations concerns**
- **Pro-active customer service**
- **POM and Port Stakeholder joint sponsorships (events, trade shows, advertisements)**
- **Improve communications between Port Stakeholders and POM to levels of decision making authority**
- **Response time to questions, problems and issues**
- **Process to make a decision and stay consistent at staff level**
- **Set up cargo committee**
- **Advanced information technology tool applicaitons**

Port of Miami Challenges - ***Environmental Programs***

- Viewed as giving something back
- NPDES
- Create a proactive environmental image
- Cold Ironing
- Discharges from ships (emissions, solids, liquid)
- Pro actively prepare for public open houses on moving forward on phase 2 dredging
- Water and sewer capacity to port

Port of Miami Challenges – ***Utilities***

- **Water and sewer capacity to port**
 - **Limiting growth**
- **Impact fees**
- **Develop better relationship with Florida Power and Light**
- **Develop better relationship with County (at staff levels)**
 - **Building and Zoning**
 - **Water and Sewer**
 - **Department of Environmental Resources**

Port of Miami Challenges - ***Longshore Labor***

- **Parking**
- **Who is going to pay the lease land?**
- **Review all Stakeholder parking policies**
- **Sensitivity**
- **Define terminology of terminal (jurisdictions)**
- **Security**
- **Customer Service**

Port of Miami Challenges - **Construction**

- **Shipping Line(s) concerns due to problems and delays**
- **Coordination with County/State for offsite access projects**
- **Disruption / congestion on and off the Port**
- **Coordination of construction progress –Stakeholder Communication**
- **Pro-active coordination between Stakeholders and POM**
- **Crane electrification completion – temporary impact on deep water berths**
 - **Training and education for working around Panzer belt**
- **FP&L transmission line**
 - **Minimize loss of acreage**
 - **Reduce impact to terminal operations during construction**

Port of Miami Challenges - **Berthing**

- **Berthing Priorities**
- **Coordination of information transfer**
- **Customers concerns due to problems and delays**
- **Fill harbor master / wharfenger position**
- **Need new berthing policy developed between POM and Stakeholders**
- **Consider 24/7 operations for the Berthing office**
- **Uniform administration of berthing policies**
- **Response time to questions, problems and issue**
- **E-berthing**

Port of Miami Challenges - ***New Port Gate System***

- **Integrate new POM gate with Terminal Operations**
- **Resolve all outstanding Information Technology issues**
- **Establish common EDI**
- **Expedite construction (Public and Private)**
- **Comply with State and Federal Security Regulations in accordance with FSPs**
- **Incorporate labor schedules**

Port of Miami Challenges - *Security*

- Migration to Florida Uniform Port Access Credentials (FUPAC), into Transportation workers Identification Credentials (TWIC)
- **Priority No. 1** - Competitiveness with ID credentials – improve procedures to foster better understanding between Staff and Stakeholders
 - Speed up ID acquisition process
 - Consolidate and streamline process (self audit)
 - Better process for day passes
- Security Funding
- Fencing (fixed and temporary)
- Improved relations and coordination with Department of Homeland Security
- Use and management of private security
 - Should County take a more aggressive management position in managing activities of private security agencies?
- Compliance with Maritime Transportation Security Act (MTSA) and Florida Statute 311.12
 - Fortress (Needs to be agile)
 - Hampers commercial side of house
 - Perceived deficiencies by agencies??
- Position POM to be proactive in managing own security
- Balance security with commercial aspects of Port
- Explore information technology - make information available

Port of Miami Challenges - ***Parking***

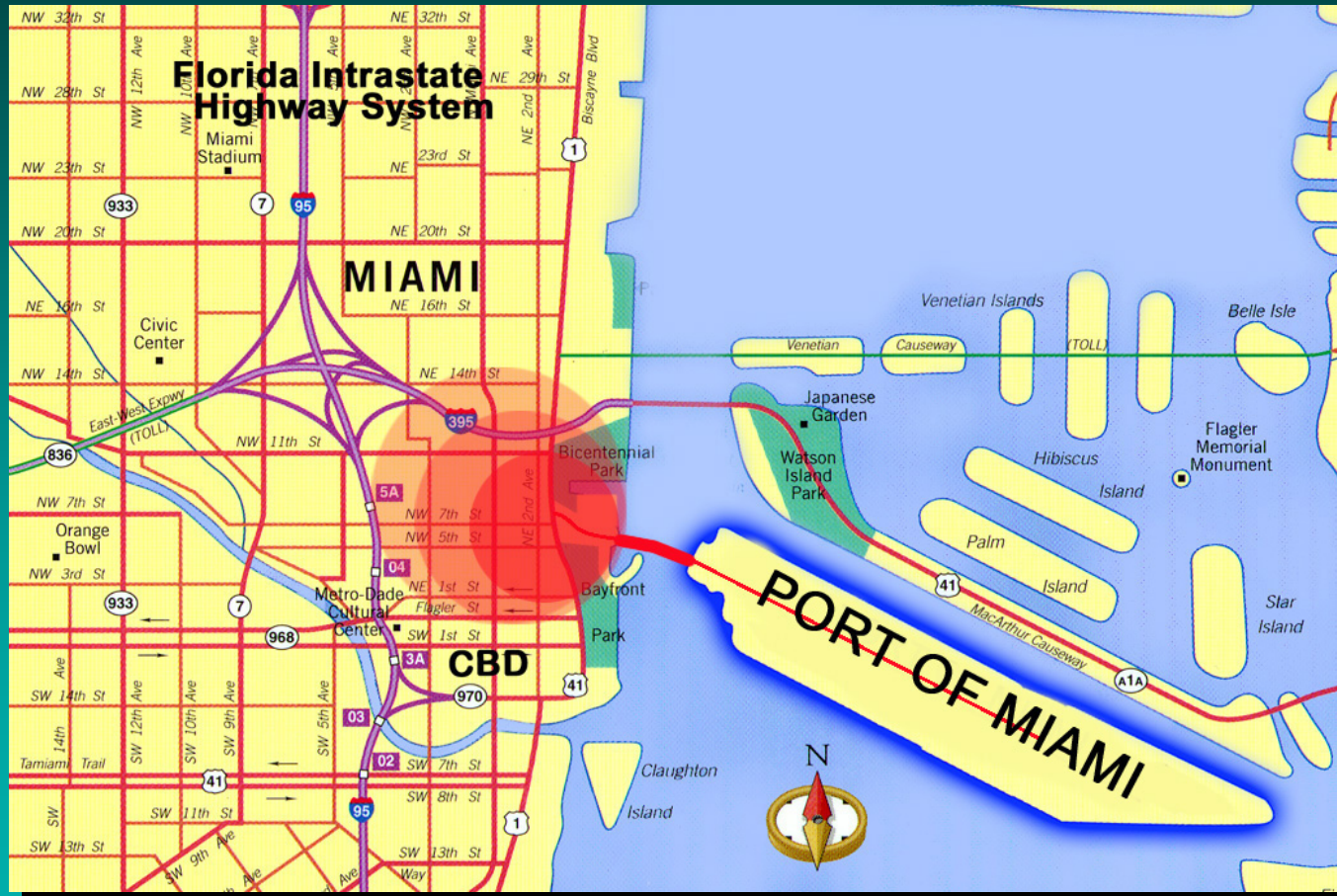
- **Accommodations for workers in restricted access areas**
- **No parking area violations (despite notification, ticketing, towing)**
- **Additional parking for ILA workers**
- **Better parking area Lighting**
- **Parking around Administration Building**
- **Regulatory concerns**
- **Re-think how we handle Parking**

Port of Miami Challenges - ***Phase 2 Dredging***

- **Completion**
- **Additional funding**
- **Plan for maintenance dredging**
- **Coordination of vessel traffic during dredging**
- **Education of Port stakeholders / community on dredging impacts to operations**

Port of Miami Challenges

Access



Port of Miami Challenges

Development

- Off-site Port expansion opportunities and benefits
- Life after 2020 - Planning for the future
- Yard completion for stormwater management
- Is POM ready for larger ships (4000 to 6000 TEU)?
- Is POM ready for projected “Astronomic” container growth?
- POM ability to respond quickly to potential opportunities for future growth
- Warehousing and cold storage capability
- Increased cargo capacity utilizing rail
- Cargo/ revenue diversification opportunities
- Future traffic impacts

Port of Miami Challenges - ***Port Image***

- **Port's diminished reputation in the international community**
- **Marketing in the community / state / nation / globe**
- **Develop Port's branding theme**
- **Grand re-opening event once construction completed**
- **Centennial Celebration 2005 (Ongoing)**

Port of Miami Challenges - *Truckers (Teamsters)*

- **Communications to the Public**
- **Information, Facts, Approach**

Cruise Business Challenges

Accommodating weekend peaks

Cruise lines diversifying to other ports

Expansion of Port's capabilities (ie: Watson Island):

Megaships (ie: Eagle Class 146,000dwt... plus)

Dedicated Terminals

Industry trends towards “one-stop” on-site

seaport/airport passenger connections

Integrating/separating existing cruise and cargo traffic

Accommodating growing volume of landside cruise traffic and associated parking and infrastructure costs

Emerging Port security concerns

Cruise Business Challenges

Industry Consolidation

Top 3 Carriers = 73% of Cruise Fleet Capacity

Top 3 Cruise Ports = 60% World Port Throughput

50 ships on order = \$ 16.5 Billion

Fastest Growing Tourism Industry in USA

Seamless Port Facilities

Market opportunities

So. Florida / Caribbean Market (Cuba)

Public / Private Partnerships




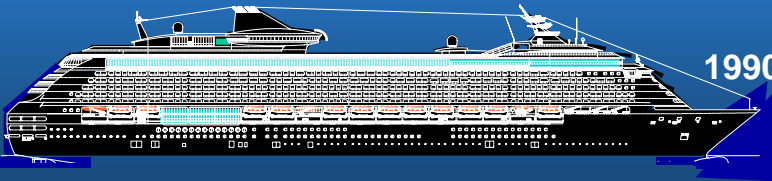
Hotel / Mixed used projects



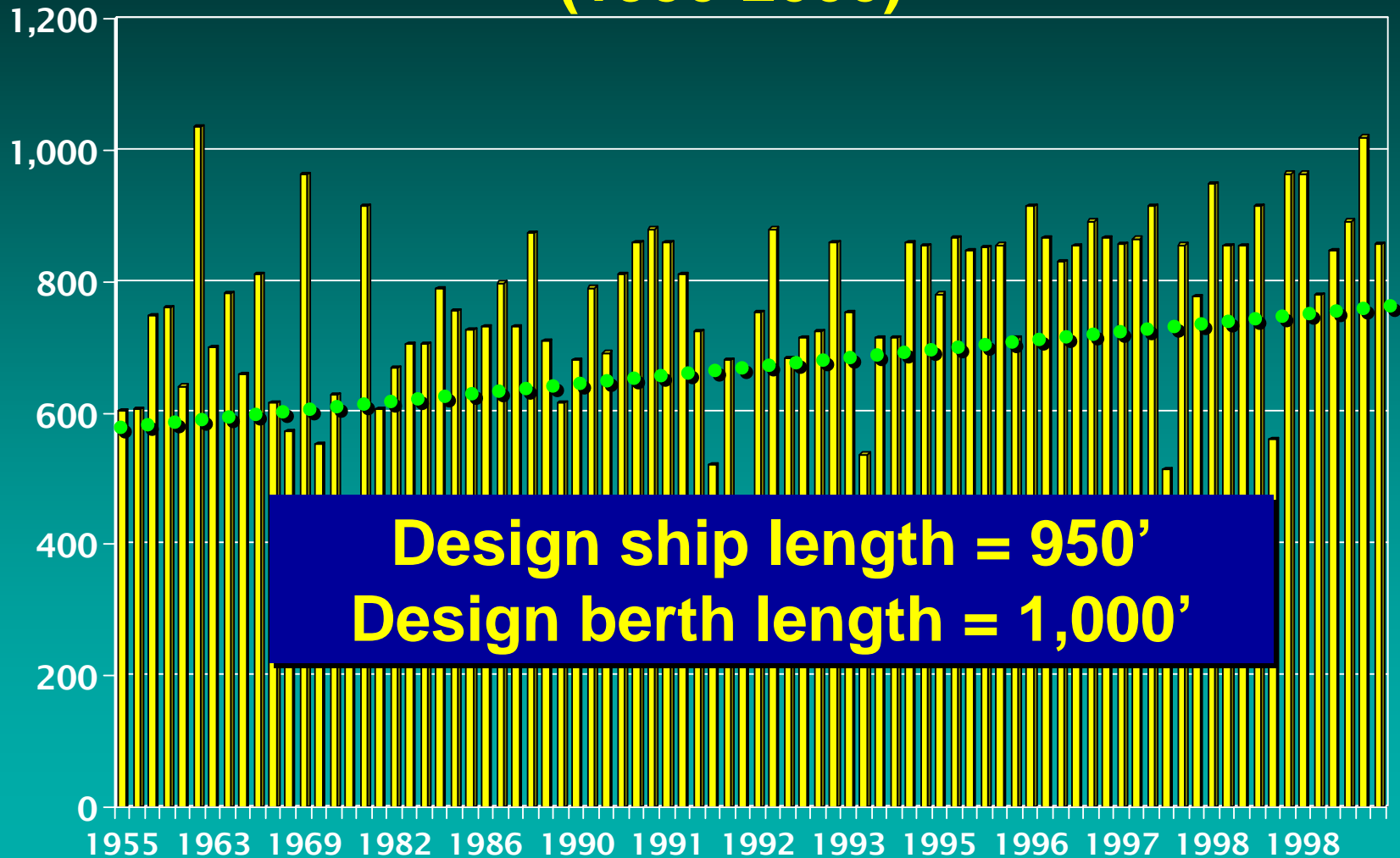
From a Cruise Terminal Operators Perspective the Critical Cruise Terminal Issues are:

- **Cost and schedule control**
- **Baggage handling efficiency/clearances**
- **Terminal operations / ground transportation interface (passenger gangway, ADA requirements, and vessel stores)**
- **Security & associated regulations**

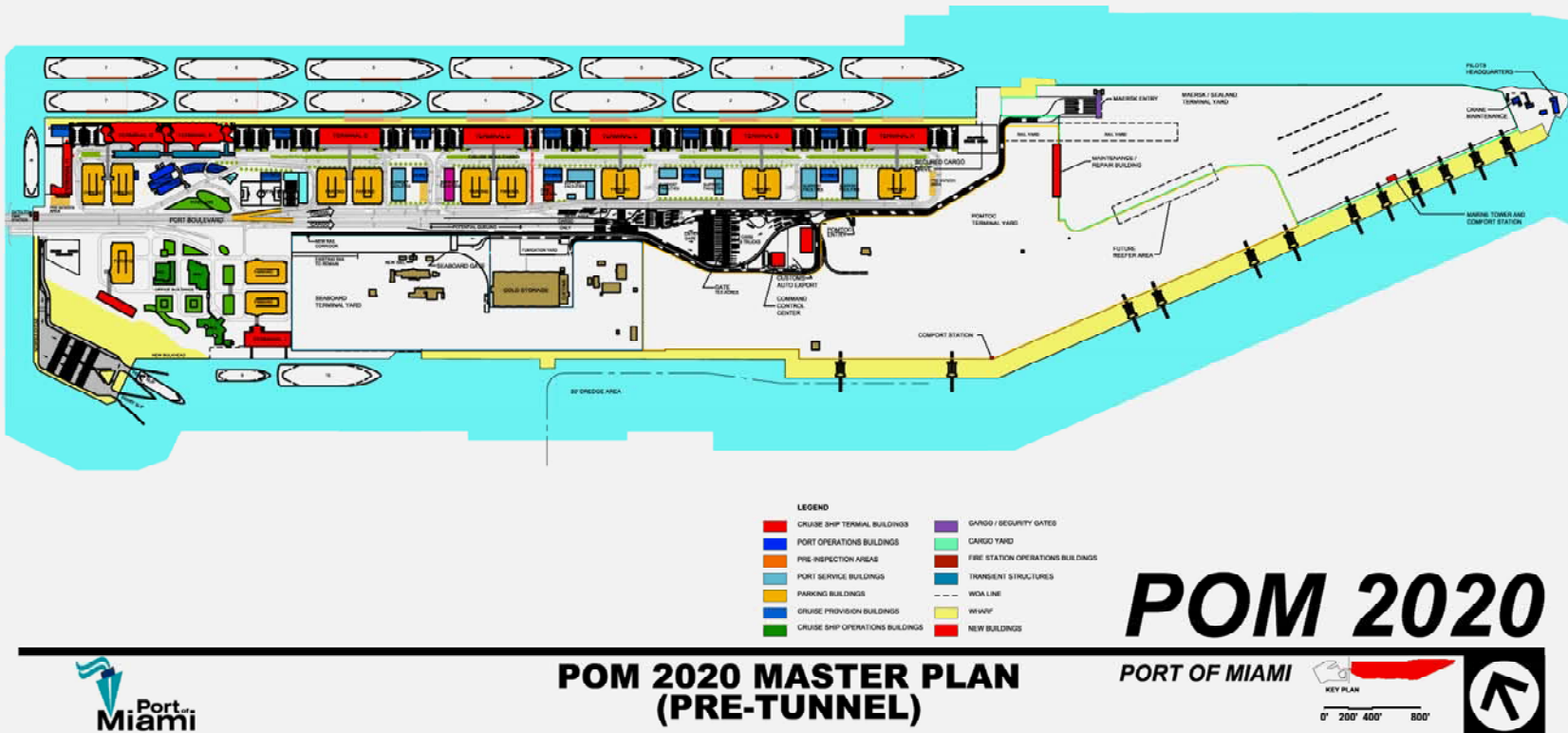
Changes in Cruise Vessel Sizes

	PASSENGERS	DRAFTS	SHIP DISPLACEMENT (In Thousands Grt)
 1960 ' s	400-500	Up To 30	18
400 FEET			
 1970 ' s	600	20-36	20
500 FEET			
 1980 ' s	1200-2000	26-30	80
800 FEET			
 1990 ' s	2600-3600	26-30	90-140
900-1100 FEET			

Cruise Ship Length Is Increasing (1950-2000)



POM 2020 Cruise Master Plan



Port of Miami Challenges -

Cruise 1 Round Table Meeting

- **Extend security card time for more than one year**
- **Policy for tipping porters – should porters be tipped?**
- **Challenges for “Peak” and “Off-Peak” seasons will be different. Make sure you distinguish and address both.**
- **Port should buy/provide passenger self assist carts – how do you keep them out of the bay?**
- **How do you keep from having porters leave and then re-enter secure areas?**
- **Need to have short term visitor parking at the terminal**
- **Consider crew security processing at the terminal**

Port of Miami Challenges -

Cruise 1 Round Table Meeting

- Can the Port help lobby the U.S. Customs and Border Protection to increase the numbers of security processing personnel to reduce passenger processing time?
- Make the signage larger, use numbers to identify the terminals
- Place the name of the ship at a higher location at the terminals
- Can the Port provide variable message signs that can indicate which cruise terminal is associated with each ship?
- Has the Port considered “E-berthing?” Automate the arrival and departure of cruise ships.
- Can security information be shared with other Ports? Why is each Port a stand alone security island?
- Put the POM security application on line, be able to process the application on line.

Presentation by Customs and Border Protection

Cruise Passenger Processing

Ms. Greta Campos

US Customs and Border Protection

Issues:

- Re-tooling of the passenger disembarkation process is underway. Numerous manifest errors slows down passenger processing. CBP is working with Cruise Lines to reduce the errors.
- New signage standards to be implemented
- Treatment of wood pallets to prevent infestation. New requirements to be implemented by USDA. Cruise Lines concerned about implementation of the new requirements. Additional discussion needed.
- Training for passenger security processing individuals. Cruise Lines expressed concern with on-duty training and its impacts on passenger processing times.
- New pilot program for small boat registration
- POM and Cruise Lines jointly need to lobby Washington for money to pay for Federal security mandates.

Presentation by the US Coast Guard

Cruise Security Issues

LTJG - Devon Brenan, US Coast Guard

Issues:

- POM and Stakeholders must proactively work out security protocol between themselves and then submit plan to Coast Guard for review and acceptance.
- Unattended luggage is a huge security risk and Coast Guard is looking for a plan from Cruise Lines and POM on how to handle.
- Water side security is responsibility of POM and Stakeholders. Coast Guard does not have resources to provide water side security.
- Cruise Lines need to educate and stop passengers from bringing small fire arms and ammo on board a cruise boat.
- Coast Guard will provide annual POM inspection in the fall. POM and stakeholders must be ready.

Discussion Regarding the Port of Miami Seamen's Center

Juan Kuryla
Assistant Director
Port of Miami

Issues:

- A survey on Seamen's Center activities will be initiated by the POM for input from port stakeholders.
- Future meetings will be coordinated by the POM
- Seamen's Center mostly used by cargo ship personnel for phones and money remittance.

Next Steps

Port Summit

John Vickerman
TranSystems

Port of Miami Summit
August 24, 2005

Next Steps

Summit Meeting Objectives:

(With All Port Stakeholders)

- **Official Launch of New Port Web Site**
- **Refine Market, Development, and Operational Issues**
- **Prioritization of POM Strategic Objectives**
- **Review of Initial Alternative Development Concepts,**
- **Create Action Agenda for the Future POM Improvements**
- **Affinity Group Participation – (Communication through Port Web Portal)**

Production of 2025 Master Plan Update

Contact Information:

Note this is a work in progress and will be updated as comments are received.

Please send all comments to:

Darrell Kim Beatley, P.E.

TranSystems Corporation

Email: dkbeatley@transystems.com

Phone: 1-757-898-3986